Unemployment rate falls to 4.0%

Media Release

Released 17/03/2022

Source: Labour Force, Australia, February 2022

The seasonally adjusted unemployment rate fell to 4.0 per cent in February 2022, the lowest unemployment rate since August 2008, according to data released today by the Australian Bureau of Statistics (ABS).

Bjorn Jarvis, head of labour statistics at the ABS, said: “With employment increasing by 77,000 people and unemployment falling by 19,000, the unemployment rate fell by 0.2 percentage points, to 4.0 per cent.

“This is the lowest unemployment rate since August 2008 and only the third time in the history of the monthly survey when unemployment was as low as 4.0 per cent (February 2008, August 2008, February 2022). Lower unemployment rates occurred in the series before November 1974, when the survey was quarterly.

"The 3.8 per cent unemployment rate for women was the lowest since May 1974. Meanwhile, the unemployment rate for men fell to 4.2 per cent, its second lowest level since November 2008 and just above the rate from December 2021 of 4.1 per cent."

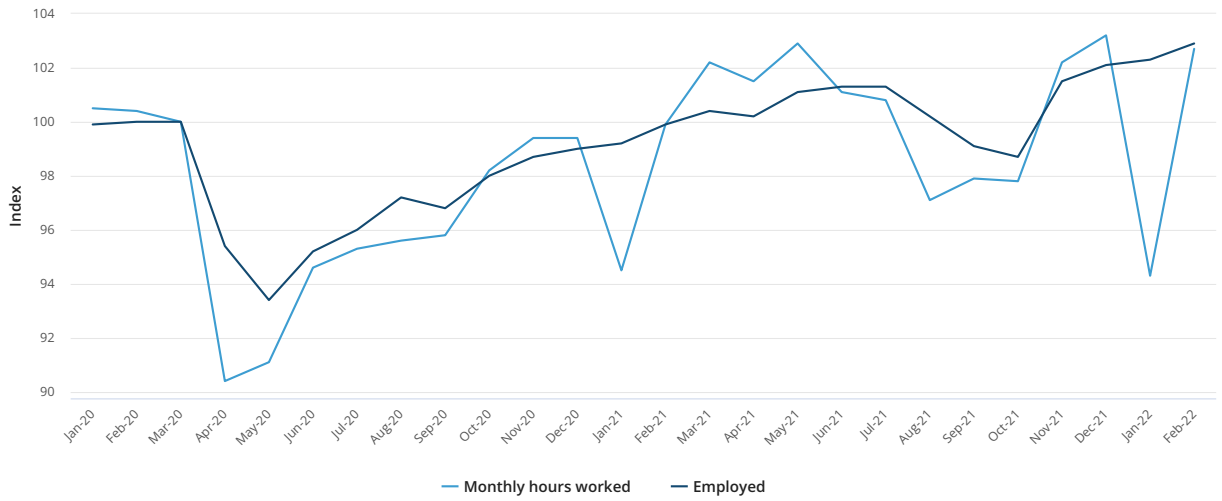
Employment and hours worked

Employment increased for the fourth month in a row, by around 77,000 people (0.6 per cent) in February and was around 202,000 people (1.5 per cent) higher than the pre-Delta period high of June 2021.

Seasonally adjusted hours worked rebounded in February by 8.9 per cent, following the large fall of 8.6 per cent in January, when an unseasonally high number of people were sick or on leave.

“While hours worked rebounded in February, they were still around 0.5 per cent below December, and also still slightly below (0.2 per cent) the pre-Delta period high of May 2021, reflecting a second month of impacts associated with the Omicron variant,” Mr Jarvis said.

Seasonally adjusted employment and hours worked, Indexed to March 2020

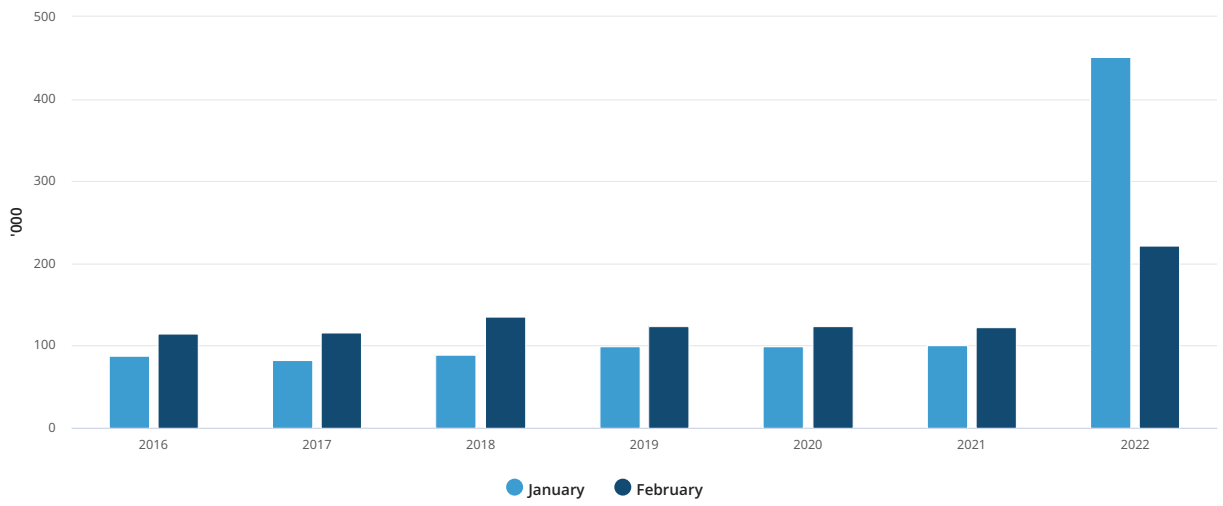


Source: Labour Force, Australia, Table 1 and 19

In February, there continued to be a higher than usual number of people working reduced or no hours due to illness or sick leave.

“The number of employed people working no hours over the entire week due to illness or sick leave was around 80% higher than what we would usually see in February, having been around triple the usual level in January,” Mr Jarvis said.

Employed people who worked zero hours due to own illness, injury or sick leave



Source: Labour Force, Australia, Detailed EM2a

Participation

The participation rate rose by 0.2 percentage points to 66.4 per cent, an all-time high.

“Participation rose to a new record high in February and was around 0.6 percentage points higher than the start of the pandemic,” Mr Jarvis said.

“The increase in participation continues to be particularly pronounced for women, rising 0.2 percentage points to a further record high of 62.4 per cent in February, and now 1.2 percentage points above the start of the pandemic.”

Underemployment and underutilisation

The underemployment rate fell 0.1 percentage points to 6.6 per cent. This was 2.2 percentage points lower than March 2020 (8.8 per cent) and the lowest it had been since November 2008.

The underutilisation rate, which combines the unemployment and underemployment rates, dropped 0.3 percentage points to 10.6 per cent. This was 3.4 percentage points lower than its March 2020 level (14.1 per cent) and the lowest level since October 2008.

Today's release includes additional analysis of hours worked, including people working zero hours, and an analysis of job attachment.

Further information, including regional labour market information, will be available in the upcoming February 2022 issue of Labour Force, Australia, Detailed, due for release on Thursday 24 March 2022.

The ABS would like to thank Australians for their continued support in responding to our surveys during such a difficult time.

Media notes

- The February survey reference period was 30 January to 12 February 2022. The March survey reference period is from 27 February to 12 March 2022.
- The numbers in the media release are rounded to the nearest thousand people. For more detailed numbers see the data downloads tab in the Labour Force, Australia publication.
- When reporting ABS data you must attribute the Australian Bureau of Statistics (or the ABS) as the source.
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